

Thinking of Working with an "Advisor"? Ask This Question FIRST...

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If you ask this one question at the beginning, you'll know whether you can continue the discussion or end it right there and start looking elsewhere: "Are you held to the suitability standard or the fiduciary standard when dealing with your clients"? Want to know what the difference is? Read further...

Suitability means that the investments your advisor selected had to be "appropriate" given your risk tolerance and capacity, age, goals, and time horizon. Notice that it was only "suitable" - meaning the investment could have been more expensive than some other similar choices, or it could have generated the "advisor" (I use that term loosely in this context) a higher commission or payout than other investments with a lower payout (and could have been better for you).

Sounds sketchy at best - how do you know if your "advisor" (notice the quotes again) truly has your best intentions in mind? And can he offer products without any "handcuffs"? Is he only able to sell certain products - some of which may not be the best investments possible to choose from? Possible conflicts of interest - without a doubt (you are possibly the "advisor's" meal ticket - how does that make you feel?)!

Now, let's look at the fiduciary standard - "to always act in the best interest of the client, putting the clients' interests above your own." Hmm - that means the best possible investment selections and advice are given taking into account your total costs, fees, expenses, risk tolerance and capacity, age, goals, time horizon WITHOUT having to compromise what you can invest in. By the very definition you should have a near limitless amount of options to pick from to invest in BUT still your advisor will guide you to the **BEST** possible investments for your specific situation.

Usually these fiduciaries are working for RIA firms, which by definition must always act in the best interests of their clients. It is the PREFERRED WAY for you to do business with an advisor - typically no commissions for suggesting certain investments. They are typically paid a percentage of what assets they manage for you, an hourly fee for planning and/or advice, or a combination of both. This eliminates many of the conflicts of interest that an "advisor" who works for a big brokerage firm cannot escape in their world. They are usually selling, NOT advising.

So, at the end of the day, do you just want to deal with an "advisor" who may only recommend what is suitable for you or an advisor who acts in your best interests? Seems pretty simple to me - perhaps many others will soon understand the difference. I hope you now know & understand the differences between an "advisor" and a **TRUE** advisor. That difference can possibly save you a lot (and make you a lot) of money over time.

For more information, please visit <http://www.mfadvisers.com>, email marty@mfadvisers.com, or call (570) 760-6524.

About *MF Advisers, Inc.*

MF Advisers, Inc. is a full-service, fee-only RIA firm and fiduciary based in PA & FL specializing in wealth management, investment advice, and financial planning.

With 20+ years of licensed experience, over 10 years of professional education, and an unwavering commitment to improving your financial situation, MF Advisers is the advisory firm to best serve YOU.

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